



## Review of Criminal Law on Manipulation of Pt Asabri's Financial Statements as An Act of Fraud

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**Abstract** - Fraud is an unlawful act that intentionally causes harm, involving manipulation or false reporting for personal or group gain. This can include falsifying financial statements for personal benefit. The author's research examines the criminal law aspects of financial statement manipulation in the high-profile case of PT ASABRI (Persero), a state-owned social insurance company for the Indonesian Armed Forces. This normative study employs conceptual, case, and statutory approaches, using descriptive research and literature studies. The data are analyzed using inductive methods. The study finds that the PT ASABRI case involves significant fraud through financial statement manipulation, resulting in state losses. The resolution of this case primarily involved legal processes for corruption under Articles 2(1) and 3 of Law No. 31 of 1999 on the Eradication of Corruption, amended by Law No. 20 of 2001. The conclusion is that PT ASABRI's case is a clear example of fraud, categorized under corruption schemes and financial statement manipulation.

**Keywords:** Fraud, Financial Statement Manipulation, Corruption Crime, PT Asabri.

### I. INTRODUCTION

Fraud is an act that violates the law and can cause harm to many parties. (Christian & Veronica, 2022). Literally, fraud is a term that comes from the English language which means cheating (Christian & Veronica, 2022). This action can be a deliberate falsification of financial statements that are manipulated for personal gain. The definition of fraud (fraud) according to the association of Certified Fraud Examiner (ACFE) fraud is an unlawful act committed intentionally, such as manipulation or providing false reports to other parties to obtain personal or group benefits either directly or indirectly harming other parties. The act of fraud can be done from within (internal) or outside the organization (external) by being influenced by the opportunity or opportunity that each position has. (Christian & Veronica, 2022).

Association of Certified Fraud Examiner (ACFE) is the world's largest Anti Fraud Organization that facilitates anti fraud education and training located in Austin, Texas, United States. (Sudarmanto, 2023). ACFE in Indonesia was formed in 2002 by the Founders which was the first anti-fraud organization in Indonesia. The founders came from government and private institutions. Their concern and desire to form ACFE in Indonesia is to reduce fraud cases in Indonesia. ACFE noted that almost every year, fraud cases always appear, which has an impact on many companies that lose revenue due to fraud. According to the survey results, this fraud event was dominated by employees, which amounted to 31.8%, then by executives / owners with 29.4%, then managers by 23.7% and caused by other factors by 15.1%. (Hernanda et al., 2020). With this percentage, if fraud is not detected quickly, the losses experienced by the company will be even greater. Therefore, supervision by auditors

is needed in auditing the company's financial statements in order to create stability in the company's income.

Financial statements are a measuring tool used by companies to create stability in their company's financial performance. Simply put, a financial report is a very important document or file in a company that records all transactions and cash. (S. W. Nur & SE, 2020). With the very high use value of financial reports, there are many fraud cases that occur in Indonesian companies manipulating financial reports so that the company's financial performance looks good and increases. This can be prevented or eliminated by the existence of a party or financial report supervisory body in the company structure. But with the dynamics that exist, the perpetrators of this fraud case increasingly have many ways to cooperate with supervisors so that their fraudulent actions are not detected. Many cases have done the same thing, such as the case of PT Asabri (Persero), which is one of the biggest corruption cases in Indonesia.

The corruption case against PT Asabri (Persero) is a case of money laundering, causing state losses of Rp. 22.7 trillion. The case began when Asabri's President Director, Investment Director, Finance Director, and Chief Investment Officer agreed with external parties who were not investment consultants or investment managers to purchase or exchange shares in PT Asabri's (Persero) portfolio between 2012 and 2019. They exchanged shares in the portfolio of PT Asabri (Persero) with shares owned by Heru Hidayat, Benny Tjokrosaputro, and Lukman at prices that were manipulated to appear high. This price manipulation aims to make the portfolio performance of PT Asabri (Persero) look good. After the shares became assets of PT Asabri (Persero), they were then traded or controlled by Heru, Benny and Lukman in accordance with their agreement with the directors of PT Asabri (Persero), making them appear to have high value and liquidity. However, this transaction was actually just a fake transaction to benefit Heru, Benny and Lukman and harm PT Asabri (Persero)'s investment. They even collaborated with the Public Accounting Firm (KAP) to manipulate the audit results of PT Asabri (Persero)'s financial statements.

Public Accounting Firm (KAP) is a business entity established based on the provisions of laws and regulations and obtaining a business license based on Law no. 5 of 2011 concerning public accountants. (Marlyn, 2022). KAP itself has the task of examining financial reports, providing financial consulting, tax calculations, and financial reporting services. In the corruption case that befell PT Asabri (Persero), KAP conducted an audit and gave an opinion that was not in accordance with the audit standards on the financial statements of PT Asabri (Persero) so that KAP was sanctioned by the Center for Financial Professional Development (P2PK) under the Ministry of Finance. Of course, this is a matter of special concern to the government so that this case needs to be dealt with quickly and appropriately by the police and the corruption court so that the face of the institution is not tarnished.

The Central Jakarta Corruption Court held the first trial of an alleged corruption case related to financial management and investment funds at PT Asabri (Persero) on Monday, August 16, 2021. The hearing was scheduled to read out the indictments for eight defendants. Two of the eight defendants are retired TNI generals who once served as managing directors of PT Asabri (Persero). The indictments against the defendants were made separately. There is one more person, Ilham Wardhana Bilang Siregar as Head of the Investment Division for the 2012-2016 period who was made a suspect. However, the person concerned had passed away before the trial. In reading the indictment, the prosecutor at the Attorney General's Office said that the defendants had committed or participated in unlawful acts to enrich themselves or others or a corporation. Prosecutors revealed that the flow of funds received by the defendants from the alleged corruption case of PT Asabri (Persero) had cost the state Rp 22.7 trillion. The trial was led by Chief Justice IG Purwanto, accompanied by two career judges as members, namely Saefudin Zuhri and Rosmina, and two ad hoc judges as members, namely Ali Muhtarom and Mulyono Dwi Purwanto.

Based on what has been described above, causing fraud by manipulating data in the case of PT Asabri, this makes this case very related to fraud theory. So the researcher emphasizes this discussion from the point of view of Law. Therefore, the researcher raises the theme of the journal "Legal Review Of The Manipulation Of Pt Asabri's Financial Statements As A Fraud Act"

## **II. METHOD**

Researchers use normative research methods in their research. Normative research refers to applicable laws and regulations. This research aims to examine an aspect to solve problems that arise in positive law. Thus, this type of research analyzes legal issues that are the focus of research by referring to relevant laws and regulations. The legal problem that will be analyzed normatively is the construction of the Public Prosecutor's evidence in the case of Corruption of PT ASABRI.

In this research, researchers refer to relevant literature, such as previous books, theses, and journals that discuss the topic to be investigated. It is known that some people have previously conducted research on various views on the review of criminal law in the case of manipulation of PT Asabri's financial statements. However, there are differences between research conducted by researchers and previous research. Some references related to this research include:

1. There is a thesis written by Jihan Fadila with the title "The Power of Proof by the Public Prosecutor in the Corruption Crime of the Reconstruction of PT ASABRI Investment Funds" from the Faculty of Sharia Law, Syarif Hidayatullah State Islamic University Jakarta in 2024 which discusses a series of proofs by the public prosecutor in the case of corruption in PT ASABRI. The similarity between this research and the research lies in the focus of the study on the Corruption Crime case that occurred in the management of PT ASABRI's investment funds. However, the difference lies in the research approach; where the research examines the case of the Corruption Crime of PT ASABRI with the convict Sonny Widjaja, while the research conducted by the researcher focuses more on a comprehensive legal review of the manipulation of financial statements in the Corruption Crime case of PT ASABRI and the sentences given to all corruption suspects in PT ASABRI.
2. The journal article entitled "Analysis of the Case of PT. ASABRI (PERSERO) with Basic Fraud Theory" written by Muhammad Natalis Christian, Jeslyn Fedelia, Jennifer TE, and Mellinda Vellin from the Faculty of Management and Business, Batam International University in 2023 discusses the legal analysis related to the criminal acts of corruption of the suspects, the sentences given to the suspects of corruption, and the relationship between Basic Fraud Theory and corruption behavior. The similarity between this research and the aforementioned research lies in the focus of research which includes legal studies on Corruption Crimes. However, the difference lies in the focus of the research which mainly analyzes the sentences imposed on the suspects, while the research conducted by the researcher focuses more on a comprehensive review of the criminal law of corruption in the case of PT Asabri.

## **III. RESULT AND DISCUSSION**

In examining the Criminal Law Review of the issue of Corruption that occurred in one of the well-known BUMN's, PT ASABRI (PERSERO) as a fraud, many things will be discussed in this journal, starting from the condition of fraud in Indonesia, the settlement of fraud cases in Indonesia, the chronology of the PT Asabri case, indications of manipulation of financial statements, criminal law reviews and decisions against the suspects, the process of manipulating financial statements that harm the State and the link between fraud and corruption behavior. Researchers will discuss it in detail in the discussion of the results of literature review and literature review, including the following:

Legal arrangements in Indonesia to prevent fraud

1. The state of fraud in Indonesia

Fraud is a latent danger that threatens the world, including in Indonesia that fraud has plagued and become a disease in Indonesia. (A. Nur, 2022). The results of a survey on the occurrence of fraud in Indonesia in 2019 can be concluded that corruption cases are the Predator or the most in fraud that occurs in Indonesia. According to the Corruption Eradication Commission (KPK), corruption can have a negative impact on the Indonesian economy. KPK said that corruption will cause economic growth in a country to slow down. In addition, it also results in decreased investment and the poverty rate in the country will continue to increase,

an increase in income inequality, and changes in the level of happiness. ICW in 2019 collected data on corruption in the procurement of goods and services handled by the KPK, police and prosecutors. The results show that of the 271 corruption cases that have occurred throughout 2019, 64% are cases related to the procurement of goods and services with a total loss of Rp957.34 billion involving 389 people as suspects of corruption committed by inflating 23% in this scheme or equivalent to 40 cases, the commitment-making official (PKK) makes its own estimated price (HPS) without research or reference to market prices so that the HPS value is usually expensive. (Hermawan et al., 2024). Flashback to the covid-19 period where based on reports from the Central Statistics Agency (BPS) that the population of Indonesia during the pandemic increased. As of September 2020, BPS reported that poverty increased by 2.76 million people so that the number of poor people in Indonesia was 27.55 million (Yana, n.d.). (Yana, n.d.). This condition is certainly concerning because when things are difficult and economic mobility is difficult because of social distancing and the system of Enforcing Restrictions on Community Activities (PPKM), however, how can a state employee commit fraud and even criminal crimes like that.

## 2. Prevention and resolution of fraud cases in Indonesia

Fraud has become a phenomenon in Indonesian society, this has led to the creation of the largest anti-fraud organization in the world in Indonesia, known as the ACFE Indonesia chapter. (Sugino, 2022). This organization has the same goal as its motto, which is to try to reduce fraud cases throughout the world and provide confidence to the public that this profession has high integrity and objectivity. Of course, the existence of the ACFE Indonesia chapter is one of the government's efforts to prevent and solve fraud problems in Indonesia.

In preventing fraud in an agency or organization, there must be an increase in supervision and control in auditing the results of financial reports in the organization. The Institute of Internal Auditors (2013) relates to the division of roles and responsibilities for implementing risk management and internal control into 3 (three) lines in the organization. (Nainggolan & Kiswara, 2013). Operational management is the first line of defense that is fully responsible for carrying out all organizational policies by carrying out internal control continuously in all stages of activity. The second line of defense is tasked with monitoring and maintaining compliance with the implementation of internal control and providing input to the first line. The third line of defense is the government internal supervisory apparatus (APIP) or internal auditors who are tasked with providing an assessment and monitoring internal control objectively.

Leaders in the company also have an important influence in reducing fraud (fraud) where leaders must show a good and professional personality at work both in terms of behavior, appearance, performance and so on. This can refer to the motivation of employees so that they can imitate or imitate the character of their leaders and can cause discomfort in employees to commit fraud. Leaders can also implement a reward and punishment system, this system can increase employee motivation and quality where employees who can complete their duties and responsibilities well will be rewarded. while punishment is applied to employees who do not carry out their duties and responsibilities properly, this will lead to employee motivation not to commit fraud or fraud.

According to the appellate judge of corruption who acted as a resource person from the book written by Dr. Rozmita Dewi YR. in preventing fraud in Indonesia he said that "judges are the hands of God, I only make decisions, because judges cannot be gray, I talk about comparability, proportionality, what is made and what the punishment is." (Yani, 2013). To provide shock therapy, a standard is needed as guidance (determination) for judges to determine proportional subsidiary punishment for fraud perpetrators in Indonesia. Organizations or companies need to know about the legal basis for fraud cases. So that if we want to bring fraud cases that occur in the organization into the realm of law, then at least we know which articles are violated which can be used as the basis for reporting to law enforcement officials. Looking at the division of fraud according to ACFE which states that fraud is divided into three parts, namely: corruption, asset misappropriation and fraudulent statements (Sartini et al., 2014). (Sartini et al., 2023).. So in this case we first divide the fraud case based on examples.

Actions that fall under Corruption/corruption:

- a. Conflict of Interest
- b. Gratuities
- c. Bribery
- d. Extortion

Actions that constitute Asset Misappropriation

- a. Cash, cash both in hand and in the bank
- b. Inventory and Others, inventories and other assets

Actions that include Fraudulent Statements:

- a. Finance, such as financial statements
- b. Non-financial, such as annual reports

Fraud Related

- a. CRIMINAL CODE
- b. KUHAP
- c. Law of the Republic of Indonesia No. 31 of 1999 in conjunction with Law No. 20 of 2001
- d. Law of the Republic of Indonesia No. 15 Year 2004

KUHP: All matters relating to material criminal law are about the criminal offense, the perpetrator of the criminal offense and the punishment (sanction) à Material Law Article 209 of the Criminal Code - Bribing / bribing Article 263 of the Criminal Code - Making a false letter Article 362 of the Criminal Code - Theft Article 368 of the Criminal Code - Extortion Article 372 of the Criminal Code - Embezzlement Article 378 of the Criminal Code - Fraud Article 415 of the Criminal Code - Embezzlement committed in office Article 418 / 419 of the Criminal Code - Receiving a bribe / bribe Article 406 of the Criminal Code - Destroying or damaging property.

KUHAP, a collection of provisions that regulate the procedures of the state through its tools (apparatus) to seek the truth, try, determine a person who is suspected / charged with a criminal offense (Formil Law).

Efforts in resolving fraud cases in Indonesia according to the ACFE Indonesia chapter are mostly carried out through the criminal legal process, the settlement of fraud actions if examined in detail, most respondents with an initial number of 239 chose to handle through the criminal legal process as many as 144 or equivalent to 60.3%, then complete civil law as many as 50 or equivalent to 20.9% and not followed up as many as 45 or equivalent to 18.8% (WIBISONO, 2021).

## **Criminal Law Review of the Manipulation of PT ASABRI's Financial Statements as an Act of Fraud**

### **1. Chronology of the Financial Statement Manipulation Fraud Case of PT ASABRI (PERSERO)**

This fraud case began with the President Director, Investment Director and Finance Director together with the Asabri Investment Head approving an agreement with an external party who was not an investment consultant or investment manager to buy or exchange shares in the portfolio of PT Asabri (Persero) from 2012 to 2019. They exchanged shares in the portfolio of PT Asabri (Persero) with shares owned by Heru Hidayat, Benny Tjokrosaputro, and Lukman at prices that had been manipulated to appear high. The purpose of the price manipulation is to make the portfolio performance of PT Asabri (Persero) look good. After the shares became the ownership of PT Asabri (Persero), the shares were then traded or controlled by Heru, Benny, and Lukman in accordance with the agreement with the directors of PT Asabri (Persero), so that the shares appeared to be of high value and easy to liquidate. However, the transaction was actually only a pseudo transaction aimed at benefiting Heru, Benny, and Lukman while harming PT Asabri (Persero)'s investment. (ASTARI, n.d.).

The Center for Financial Professional Development (P2PK) under the Ministry of Finance will apply strict sanctions against Public Accounting Firms (KAP) proven to conduct audits and provide opinions that are not in accordance with the code of ethics or examination standards on the financial statements of PT Asabri (Persero). Secretary General of the Ministry of Finance, Hadiyanto, stated that Asabri is usually audited by a registered KAP. The

sanctions that will be given will be adjusted to the level of error committed by the KAP. The sanctions may include a reprimand or temporary suspension from practicing as a public accountant. Based on the financial statements, in 2014 Asabri's profit reached Rp245 billion with an Unqualified Audit Opinion (WTP), and at that time, the audit was conducted by Heliantono & Partners. In 2015, with the same auditor, Asabri's profit increased to Rp347 billion with an Unqualified Opinion (WTP). (ASTARI, n.d.).

In 2020 to 2021, the BPK began to develop suspicions about ASABRI's portfolio shares which began to decline continuously so that this investigation was revealed. The BPK conducted an examination and found that the Company's 2017 financial statements were proven to have a loss of sixteen trillion Rupiah which was known to be the result of illegal investment activities. The examination was continued in more depth by the BPK and there was evidence that PT. ASABRI made illegal stock purchases of eight hundred and two billion, and the release of 12 non-bluechip shares that were previously purchased at a price of nine hundred and eighty-seven billion Rupiah. The suspects were summoned by the AGO and some were sentenced to prison and from the results of the examination there were goods confiscated and estimated losses caused to harm the state of IDR 22.78 trillion. (ASTARI, n.d.).

## **2. Indications of Financial Statement Manipulation (Fraudulent Statement Fraud) of PT Asabri**

Fraudulent Statement Fraud Relating to fraud committed by management who are motivated to commit fraud in order to get a bigger bonus based on the assessment of financial performance of Fraudulent Statements Fraud cases This is always the least intensity of cases that occur, only about 5% of all fraud cases reported from periodic research by CFEs, but from the amount of losses it ranks the highest. (Prayoga & Sudarmaji, 2019). Evidenced in the case of the criminal act of corruption of PT Asabri, which manipulated financial statements and became the largest corruption case in Indonesia.

Financial statement fraud refers to actions taken by management to present financial statements in an incorrect manner, which significantly affects investors and creditors. This type of fraud can be financial or non-financial. Typically, it occurs when a company reports higher amounts of assets or revenue than it should (overstates), or reports lower amounts of liabilities and expenses than it should (understates). Anyone, at any level, has the opportunity to commit financial statement fraud. According to Wells, financial statement fraud involves several modus operandi, including: (1) falsifying, altering, or manipulating financial records, supporting documents, or business transactions, (2) intentionally omitting events, transactions, accounts, or other important information that is the source of financial statement presentation, (3) using incorrectly and intentionally the accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events and business transactions, and (4) intentionally omitting information that should be presented and disclosed in accordance with the accounting principles and policies used in preparing the report. (WIBISONO, 2021). According to Cashmere, financial statements are the final result of the accounting process which includes two main reports, namely the balance sheet and profit and loss statement. The main purpose of financial statements is to provide financial information that is relevant to the company (Arista & Nurlaila, 2021). (Arista & Nurlaila, 2022). Financial statements can describe the financial condition of a company and include a balance sheet and profit and loss calculation that reflects the company's operating results and a statement of changes in equity. Preparation of financial statements has several objectives, which include: 1) provide information about the type and amount of assets (assets) owned by the company, 2) present information about the type and amount of liabilities and equity owned by the company, 3) disclose the type and amount of revenue earned by the company during a certain period, and 4) provide information about the type and amount of costs incurred by the company during a certain period.

The suspects who participated in committing this fraud were motivated by three things called the fraud triangle (pressure, opportunity and rationalization). 11The suspects are under pressure to commit corruption to support their lifestyle and other economic demands.

Furthermore, opportunities, the suspects see that with the opportunity to commit fraud such as corruption and manipulation of financial statements continuously and as long as the activities carried out are not exposed to the public, the greater their intention to take as many opportunities as possible. Finally, namely rationalization, this can also be used as a warning to all of us where from the ASABRI case the suspects, even though they have a good educational background and position, cannot be ensured or can guarantee that all have passed their responsibilities in their respective jobs. Their attitude and morals are at stake in carrying out their duties. Corruption fraud cases that occur in ASABRI are suspected of abusing power by using investment funds from ASABRI for personal gain. To cover up the management of investment funds that are not in accordance with the rules, due to a mismatch between the value of the company's assets and liabilities. So that ASABRI changes financial statement data to cover losses and create illegal profits.

In the case of corruption in PT Asabri (Persero), it was proven that there were people who manipulated the financial statements and this case became the largest corruption case in Indonesia. In this case, the KAP who conducted the audit was found to have violated the business ethics of public accountants by providing opinions that were not in accordance with the code of ethics or examination standards on the financial statements of PT Asabri (Persero). They recorded PT Asabri's profit which was up to 7 times greater than before, even though PT Asabri should have suffered losses due to the placement of its investment stock portfolio. The KAP was proven not to comply with ethical standards or examination of the financial statements of PT Asabri (Persero). PT Asabri made mistakes in portfolio placement that caused losses, but the public accountant recorded a profit in PT Asabri's financial statements. This situation clearly brings the accounting profession into crisis, because accountants should still show a professional and ethical attitude and still adhere to the correct principles, because if not, it will harm the company.

#### Accountant Code of Ethics Violations

The Code of Ethics for Public Accountants consists of 2 parts; First, Part A, contains the basic principles of professional ethics that provide a conceptual framework for the application of these principles. Second, Part B, contains the application of the conceptual framework to specific situations. In other words, Part A contains the Conceptual Basis of Ethics, Part B contains the Technical Guidelines for Implementing Professional Ethics. The Basic Principles of Professional Ethics for Public Accountants contained in section A,12 consist of:

#### 1. Integrity

Each member must fulfill his professional responsibilities with the best possible integrity in order to maintain and increase public trust. Integrity means being honest and straightforward without having to sacrifice the secrets of service recipients, but not accepting fraud or omission of principles. not applying the principle of integrity, due to the company in auditing BPK, PT Asabri was caught buying fake shares worth Rp 802 billion. In addition, the Company was also recorded buying two fried shares, namely those belonging to PT Eureka Prima Jakarta Tbk (LCGP) worth IDR 203.9 billion and PT Sugih Energy Tbk (SUGI) amounting to IDR 452 billion. From this, it can be seen that there is dishonesty on the part of the audit of PT ASABRI because it has been caught buying and selling fake shares.

#### 2. Principle of Objectivity

Principle of Objectivity In this case, that PT Asabri did not apply the principle of objectivity, which members should be fair, impartial, and intellectually honest. Because the KAP at PT Asabri conducts audits and provides opinions that are not in accordance with the code of ethics (if proven guilty), by increasing profits every year, which makes PPK suspicious. It is clear that there is injustice, dishonesty, and members who take sides with the wrong party. It is said to be objectivity, if KAP at PT Asabri provides audit information that is in accordance with the true financial statements without any cover-up.

### 3. Principles of Competence and Prudence

In this case, that PT Asabri does not apply the principle of objectivity, which members should be fair, impartial, and intellectually honest. Because the KAP at PT Asabri conducts audits and provides opinions that are not in accordance with the code of ethics (if proven guilty), by increasing profits every year, which makes P2PK suspicious. It is clear that there is injustice, dishonesty, and there are members who take sides with the wrong party. It is said to be objectivity, if KAP at PT Asabrim provides audit information that is in accordance with the true financial statements without any cover-up.

### 4. Principle of Confidentiality

Principle of Confidentiality The principle of confidentiality requires every accountant not to do the following:

- a) Disclose confidential information obtained from professional and business relationships to parties outside the accounting firm or organization where the accountant works without being given adequate and specific authority.
- b) Using confidential information for personal or third-party gain. In this case, Asabri was caught buying fake shares worth Rp 802 billion. The company was also recorded buying two fried shares, namely those of PT Eureka Prima Jakarta Tbk (LCGP) worth Rp. 203.9 billion and PT Sugih Energy Tbk (SUGI) amounting to Rp. 452 billion. During the examination, Asabri's directors admitted that they purchased the shares without going through a due diligence and feasibility study process. There is no latest information on the distribution of Asabri's investments because there has been no publication of financial reports from the company since 2018.

### 5. Professional Performers

Professional Conduct means complying with applicable laws and regulations and avoiding any behavior that is known by accountants to be likely to discredit the accounting profession. In this case, KAP at PT Asabri did not apply professional behavior, if proven guilty of making financial statements and providing opinions or examination standards on the financial statements of PT Asabri, where this case has discredited their profession which is considered not to have professional behavior in carrying out its duties by business people who will rent their services as auditors.

### Auditor Code of Ethics Violations

- 1) The Center for Financial Professional Development (P2PK) of the Ministry of Finance will impose strict sanctions on Public Accounting Firms (KAP) proven to conduct audits and provide opinions that are not in accordance with the code of ethics or examination standards on the financial statements of PT Asabri (Persero). Secretary General of the Ministry of Finance Hadiyanto said that Asabri is usually audited by registered KAP. The sanctions that will be given, he continued, are adjusted to the level of error of the KAP concerned. "It can be a warning or temporary release from practice as a public accountant," said Hadiyanto. Based on the financial statements, in 2014 Asabrit's profit was recorded at Rp 245 billion with an Unqualified Audit Opinion (WTP). At that time the KAP recorded as conducting the audit was Heliantono & Partners. Then in 2015, with the same auditor, Asabri's profit was recorded at Rp 347 billion with an Unqualified Opinion (WTP).
- 2) Furthermore, in 2016, still with the same auditor, Asabri's profit was recorded at Rp 116 billion with an unqualified audit opinion (WTP). Meanwhile, in 2017 Asabri's profit was then recorded to jump to Rp 9427 billion, up 7 times from the previous year, with an unqualified audit opinion (WTP). In this period PwC also acted as the auditor. Special Staff of the Ministry of SOEs Arya Sinulinggo hopes that debtors such as Heru Hidayat and Benny Tjokrosaputro can fulfill their responsibilities for their debts, so that they can also help Asabri in reforming.
- 3) In this case, if the auditing KAP is found guilty of giving an opinion that is not in accordance with the code of ethics or examination standards on the financial statements



of PT Asabri (Persero), the KAP should not behave in this way just to fulfill company officials. Public accountants should prioritize the public interest over the pursuit of profit. The auditing KAP should not provide opinions not in accordance with the code of ethics or examination standards on the financial statements of PT Asabri (Persero) because this is not in accordance with public accountants as a business entity, if the auditing KAP is proven guilty. Because if guilty, the public will not trust the company. Because the accounting profession plays an important role in society, so that it creates dependence in terms of accountant responsibility for the public interest.

- 4) It was found that there were irregularities in the financial statements of PT ASABRI, KAP PwC recorded a profit of 943 billion which increased 7 times from the previous year and the Ministry of Finance (Kemkeu) will impose strict sanctions on the Public Accounting Firm (KAP) which is proven to conduct audits and provide opinions not in accordance with the code of ethics or examination standards on the financial statements of PT Asabri (Persero). The sanctions that will be given are adjusted to the level of error of the KAP concerned. It can be a reprimand or temporary release from practice as a public accountant. It can be concluded that although IAI has made efforts to enforce professional ethics for accountants, especially public accountants, unethical attitudes and behavior from public accountants still exist.

#### Legal Basis of Corruption

Corruption according to Law No. 31 of 1999 on the Eradication of Corruption as amended by Law No. 20 of 2001 on the Amendment to Law No. 31 of 1999 on the Eradication of Corruption, in Article 2 and Article 3 defines corruption as follows:

- 1) Any person who intentionally violates the law, commits an act of enriching himself or herself or another person or a corporation that can harm state finances or the state economy.
- 2) Every person who with the aim of benefiting himself or herself or another person or a corporation, abuses the authority, opportunity or means available to him or her because of position or position that can harm the state's finances or economy.

Both the Public Prosecutor and the judge had asked about the identity of the Defendant during the trial and it matched as stated in the indictment. In addition, the testimony of witnesses at trial confirmed the identity of the Defendant as stated in the indictment of the Public Prosecutor.

#### Corruption Convictions by the Attorney General's Office

In the Primair Indictment against Lukman, Bacatiar Effendi, Major General Ret. Adam Rachmat Damiri, Sonny Widjaja Berawa, Hari Setianto, Jimmy, Ilham Wardhana Siregar, Benny Tjokrosaputro and Heru Hidayat, the Public Prosecutor used Article 2 (1) of the Corruption Act to describe the offense of Corruption with the following formulation: "Every person who unlawfully commits an act of enriching himself or herself or another person or a corporation that may harm the state finances or the state economy, shall be punished with life imprisonment or imprisonment for a minimum of 4 (four) years and a maximum of 20 (twenty) years and a fine of at least Rp200,000,000,000.00 (two hundred million rupiah) and a maximum of Rp1,000,000,000.00 (one billion rupiah)."

Sentences imposed by the Attorney General's Office on the suspects:

- a. Lukman was sentenced to 13 years in prison and imposed with 750 million with 6 months of confinement. Prosecutors also imposed an additional penalty, namely the obligation to pay restitution within a maximum period of 1 month amounting to IDR 1.341 trillion. If you do not pay, your property will be confiscated by the prosecutor's office and auctioned to cover the payment, and if the auction cannot cover the money, it will be replaced with 6.5 years of imprisonment.
- b. Bacatiar Effendi was sentenced to 15 years in prison with a fine of Rp 750 million and if he cannot pay, he will be imprisoned for 6 months. In addition, he is required to pay restitution of Rp 453.7 million and if he is unable to pay, he will be sentenced to 12 years imprisonment.

- c. Major General Ret. Adam Rachmat Damiri received a reduced sentence from 20 years to 15 years in prison, the reason for the 5-year sentence cut was because it was based on the fact that there were no cases of carrying out his duties and authorities improperly and there were facts that Adam did not really understand about stock investment and in the examination of state losses did not occur in Adam's year of office. Therefore, Adam's sentence was reduced to 15 years in prison.
- d. Sonny Widjaja was sentenced to 20 years imprisonment and appealed to the Panel of Laws, after which he received an 18-year prison sentence and was required to pay a fine of IDR 750 million and restitution of IDR 64.5 billion, if he could not pay it, it was replaced with a 5-year prison term.
- e. Hari Setianto was sentenced to 12 years' imprisonment, previously sentenced to 15 years' imprisonment and a fine of Rp 750 million, which if he is unable to pay, will be replaced by imprisonment for 6 months. In addition, Hari is also required to pay restitution of IDR 378,883,500.
- f. Jimmy was sentenced to 15 years imprisonment with a fine of IDR 750 million, if he cannot pay, it will be replaced by imprisonment in 6 months. Jimmy is also required to pay restitution to the state amounting to IDR 314.8 billion.
- g. Ilham Wardhana Siregar is one of the suspects who is undergoing treatment at Annisa Tangerang hospital and on July 31, 2021 at 17:28 WIB, received sad news that Ilham Wardhana had breathed his last. Therefore, the Head of the East Jakarta District Prosecutor's Office immediately issued a decree of termination of prosecution.
- h. Benny Tjokrosaputro was sentenced to death or life imprisonment on October 16, 2020 directly from the Central Jakarta District Court. In addition, Benny is also required to pay restitution of Rp.6,078,500,000,000.
- i. Heru Hidayat escaped the death penalty in the ASABRI case because he had received a life sentence in the Jiwasurya case. In addition, Heru is required to pay restitution of Rp 10,728,375,000.

#### **IV. CONCLUSION**

This research uncovers cases of fraud and corruption at PT ASABRI (Persero), a State-Owned Enterprise (BUMN) whose shares are all owned by the state and represented by the Minister of BUMN. This case shows that fraud is an unlawful act that can harm many parties. In 2021, corruption cases in Indonesia will increase with various modus operandi, including a major case at PT ASABRI which resulted in state losses of IDR 22.7 trillion. Analysis shows that fraud at PT ASABRI involves manipulation of financial reports through corruption schemes. The suspect manipulated the share price in the PT ASABRI portfolio to make it appear high, with the help of the Public Accounting Firm (KAP) which falsified the results of the audit of the company's financial reports.

The implication of these findings is that there are serious weaknesses in the internal supervision and audit system in BUMN, which allows manipulation of financial reports and corruption. This has a negative impact on public trust in BUMN and the government, and has the potential to disrupt national economic stability.

To overcome this problem, it is recommended to strengthen the internal control and audit system in BUMN so that it can detect and prevent acts of manipulation of financial reports and fraud. Apart from that, it is necessary to reform corporate governance by emphasizing transparency, accountability and integrity. Strict law enforcement against perpetrators of fraud and corruption must be implemented, ensuring that the legal process is transparent and fair. Education and training regarding work ethics and the importance of integrity also need to be provided to BUMN employees. In addition, independent external supervision needs to be involved to carry out regular audits and supervision to ensure compliance with applicable financial and legal standards.

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